

Message Text

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ACTION ARA-14

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LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
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TO SECSTATE WASHDC 8841

C O N F I D E N T I A L KINGSTON 7666

STATE-AID MESSAGE

E.O. 11652: GDS
TAGS: OAS, EGEN, CO
SUBJECT: CIPE AND THE U.S. POSITION ON EXPORT PROMOTION

REF: STATE 295799

1. REGRET NOT BEING ABLE TO RESPOND SOONER. COMMENTS
BELOW MAY BE IRRELEVANT IN LIGHT OF WHAT MAY HAVE OCCURRED
AT SPECIAL OASGA. THEY ARE BASED ON EXPERIENCE WITH CIPE
AND RELATED MATTERS OVER THE YEARS 1972-1976.

2. MANY SMALLER COUNTRIES IN THE REGION NEED HELP IN
EXPORT PROMOTION AND DEVELOPMENT AND IN ECONOMIC POLICY
FORMATION RELECTING EXPORT CONSIDERATIONS. THE LARGER
COUNTRIES, EXCEPT FOR ARGENTINA AND COLOMBIA (BOTH FOR
NON-SUBSTANTIVE REASONS) GENERALLY WERE UNINTERESTED
OR PASSIVE. CIPE OVER THE YEARS WAS NEVER VERY EFFECTIVE
BUT DID PROVIDE SUFFICIENT HELP IN INDIVIDUAL INSTANCES
TO KEEP ALIVE THE HOPE THAT IT WOULD MEET CERTAIN NEEDS
-- PRACTICAL HELP, MARKET INFORMATION AND TECHNICAL
ASSISTANCE, RATHER THAN POLICY FORMULATION.
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3. CIPE'S FAILURES HAVE BEEN DUE NOT ONLY TO INEPT LEADER-
SHIP, POOR ORGANIZATION, CYNICISM IN SELECTION OF OFFICIALS
AND INCOMPETENCE, BUT ALSO TO THE ABSOLUTE FAILURE OF THE
OAS SECRETARIAT IN WASHINGTON ON THE PROGRAM SIDE TO
PROVIDE SUPERVISION, GUIDANCE, ADEQUATE BACK-UP,
COORDINATION, ETC. MEMBER COUNTRIES THEMSELVES WERE

ALSO UNWILLING TO FACE UP TO REMEDIES WHICH HAD BEEN IDENTIFIED.

4. AS IS WELL KNOWN, THE DECISION SEVERAL YEARS AGO BY THE U.S. TO PUSH CIPE AND CONTRIBUTE FINANCIALLY TO IT WAS RELATED TO A U.S. PRESIDENTIAL INITIATIVE IN EXPORT PROMOTION. CIPE WAS REGARDED AS A MORE EFFICIENT WAY THAN A MULTITUDE OF INDIVIDUAL BILATERAL USAID PROGRAMS TO RESPOND TO REQUESTS WITHIN THE REGION FOR ASSISTANCE IN THIS AREA.

5. DURING THE YEARS WE HAVE FREQUENTLY TURNED OFF INDIVIDUAL COUNTRY REQUESTS ON THE BASIS OF CIPE'S EXISTENCE AND PROMISE. IT CAN BE EXPECTED THAT IF CIPE FOLDS AND NO OTHER INSTRUMENTALITIES ARE SUBSTITUTABLE, THE USG WILL BE RECEIVING NEW OR RENEWED REQUESTS FOR ASSISTANCE FROM SEVERAL COUNTRIES. AS A MATTER OF FACT, DURING SEVERAL OAS MEETINGS OVER THE YEARS, MANY LATIN COUNTRIES EXPLICITLY ARGUED THAT THE USG WAS NOT MEETING ITS PRESIDENTIAL COMMITMENT EVEN WITH AN ON-GOING CIPE. ALTHOUGH THE A.I.D. MANDATE MAY NOT BE EASY TO RESPOND TO WITH EXPORT RELATED PROJECTS (EXCEPT, FOR EXAMPLE, FOR SUCH THINGS AS ASSISTANCE RELATED TO LABOR-INTENSIVE EXPORT CROPS), IT IS ALSO TRUE THAT EXPORT PROBLEMS ARE EVEN MORE IMPORTANT CURRENTLY THAN IN THE LATE 60'S AND EARLY 70'S, DUE TO THE DRAMATIC INTENSIFICATION OF LDC
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BALANCE OF PAYMENTS DIFFICULTIES AND THEIR INHIBITING EFFECTS ON DEVELOPMENT. THE POINT IS THAT ALTHOUGH CIPE HAS NOT MET THE NEED, THE NEED IS THERE AND MORE INTENSE, AND WE CAN EXPECT EVEN MORE PRESSURE TO RESPOND TO IT IF CIPE IS LIQUIDATED, ESPECIALLY IF WE ABSTAINED ON THE CIPE BUDGET OR INDICATED A NEGATIVE VIEW IN OTHER WAYS.

6. ONE POSSIBLE WAY OF RESPONDING TO NEEDS OR REQUESTS IN THE CARIBBEAN MIGHT PRESENT ITSELF WITHIN THE CONSULTATIVE GROUP/CARIBBEAN GROUP FOR ECONOMIC COOPERATION, AN APPROACH NOW ACTIVELY BEING EXPLORED AS YOU KNOW. THIS POSSIBILITY MIGHT BE WORTH EXAMINING.
DORRANCE

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Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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